(b) if so, the reasons for this and the impact it has on the overall Government's disinvestment plans?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No, Sir.

(b) Does not arise in view of reply to (a) above.

Performance of Privatised PSUs

1190. MISS MABEL REBELLO: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the privatised Public Sector Units have improved their performance after disinvestment;

(b) if so, the current performance of the privatised public sector enterprises in terms of their annual turnover, profit and protected employment; and

(c) if not, the reasons therefor?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) The performance of the privatised public sector undertakings pre-disinvestment and post-disinvestment is given below. As can be noted, performance has improved in almost all cases. BALCO's production and turnover suffered owing to a strike by the employees. No employee has been retrenched. In most cases, the condition of employees has improved.

Modern Food Industries (India) Ltd. (MFIL)

74% Government equity in MFIL was disinvested in favour of Hindustant Lever Limited on 31-1-2000. The performance of MFIL is as under:—

(Rs. in crore)

Year	Turnover	Net Profit/Loss
1998-99	172.75	(-) 6.87
1999-2000	160.53	(-) 48.23*
1-4-2000 to 31-12-2000#	122.66	(-) 16.05
1-1-2001 to 31-12-2001	231.93	(-) 12.27

* Out of the loss of Rs. 48.23 crore, an amount of Rs. 35.19 crore is towards provisions made for previous years.

HLL has changed its accounting year to calender year basis after takeover in accordance with its accounting policy.

The percentage increase in turnover during 2001 was 52% over the turnover for the calender year 2000. In 2001, the Company spent an amount of Rs. 6.00 crore (approx.) towards trade, channel support and market development—the amount was 46% higher than the previous year. During 2001, the company spent Rs. 24.81 crore towards VRS cost of 655 employees. From 1.2.2000 to 31.12.2001 *i.e.*, from the date of takeover, HLL has given financial support to MFIL by way of secured and unsecured loans to the extent of Rs. 47 crores. The financial support given by HLL during 2001 was Rs. 30.5 crores. Earnings of workers of MFIL have increased by Rs. 1600 a month.

Bharat Aluminium Company Ltd. (BALCO)

The disinvestment of 51% equity of BALCO through strategic sale was completed on 2nd March, 2001. The performance of the company and the employees benefit measures taken by it are indicated below:—

	2000-01	2001-2002
Annual Turnover (Rs. crore)	921.11	714.65
Annual Production (Tonnes)	89164	70353
Profit after Tax (Rs. crore)	(—) 43.04	18.76 (in spite of the fact the Company suffered a colossal loss on account of 67 days strike opposing disinvestment decision.

Employee Benefit Measures

(i) In spite of losses of Rs. 200 crore due to the strike, ex-gratia payment of Rs. 5000/- to all employees was made in 2001-02.

(ii) Long-term wage agreement effective from 1.4.99 for a period of 5 years was signed with the Representative Union. As a result,

A. Every workman got a guaranteed benefit @ 20% of basic pay.

B. Allowances were increased.

- Night shift allowance: Rs. 10 to Rs. 20 per shift

- Canteen allowance: Rs. 400 p.m. (instead of subsidised canteen facilities)
- Education allowance: Rs. 50 to Rs. 75 per month
- Hostel Allowance: Rs. 150 to Rs. 200 per month
- Scholarship amount to meritorious children doubled
- Leave Travel Assistance of Rs. 6000 as cash every year
- Conveyance allowance: Scooter Users: Rs. 400 to Rs. 500 p.m

  Moped users: Rs. 240 to Rs. 350 p.m.

  Other users: Rs. 150 to Rs. 260 p.m.
- Magazine Allowance: Rs. 75 p.m. for workmen (introduced for the first time)

BALCO management is planning an expansion costing about Rs. 5,000 crore.

CMC Ltd.

The disinvestment of 51% equity of CMC Ltd. through strategic sale was completed on 16.10.2001. The performance of the company pre-disinvestment and post-disinvestment is as follows:—

(Rs. in crore)

	2000-01	2001-02
Turnover	522.21	565.33
Profit after Tax	24.46	33.64

The performance during the quarters April-June, 2001 and 2002 are as follows:—

(Rs. in crore)

	April-June, 2001	April-June, 2002
Turnover	90.31	97.71
Profit after Tax	3.08	6.64

Suitable provisions for protecting interest of employees were incorporated in the transaction agreements. No complaint has been received from any employee of the company.

Hindustan Zinnc Ltd. (HZL)

(i) The disinvestment of 26% equity of HZL through strategic sale was completed on 11.4.2002. Increase in physical performance in first quarter of this year as compared to the corresponding period of the previous year is given below:—

	2001-02 (April-June)	2002-03 (April-June)	% change
Zn Metal Production (MT)	44,007	46,737	+6%
Zn Concentrate (MT)	86,579	106,004	+22%

(ii) The sale of Zinc metal for the period is 51,605 MT, which is 29% higher than that of the corresponding period for 2001-02.

(iii) Restored the following benefits to the employees, which were earlier withheld during 2001-02.

— House Building Loan

— Conveyance Advance

— L.T.C

— Leave encashment

(iii) Production incentive scheme for executives has been introduced on the lines of existing scheme for workmen.

(iv) The expansion plans for smelters is being evaluated.

Other PSUs disinvested

The disinvestment of 74% equity of HTL Ltd. through strategic sale was completed on 15.10.2001.

The disinvestment of 74% equity of Paradeep Phosphates Ltd (PPL) through strategic sale was completed on 28.2.2002. Production in PPL is reported to have tripled.

The disinvestment of 25% equity of Videsh Sanchar Nigam Ltd. through strategic sale was completed on 13.2.2002.

The disinvestment of 26% equity of Indian Petrochemicals Corporation Ltd. (IPCL) through strategic sale was completed on 4.6.2002 New management of IPCL has announced an expansion plan of about Rs. 1,000 crore.

Conclusion of transactions for the hotel properties of ITDC started from 29.11.2001. Many of the properties are under renovation by the new owners. Transactions of 3 hotel properties of Hotel Corporation of India Ltd. were completed during March-June, 2002

For these companies, it is too early to assess performance in terms of turnover and profit.

Utilisation of disinvestment funds

1191. SHRI V.V. RAGHAVAN
SHRI J. CHITHARANJAN

Will the Minister of DISINVESTMENT be pleased to state.

(a) the purpose for which funds received from disinvestment of ITDC hotels were spent; and

(b) the details of amount spent for rural development poverty alleviation, modernisation of public sector enterprises and repaying of loans?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) The disinvestment proceeds accruing to the Government are deposited in the Consolidated Fund of India like any other receipt of Government of India. The expenditures out of the Consolidated Fund of India include outlays for rural development, poverty alleviation, restructuring of public sector enterprises, repayment of loans etc. The expenditure incurred for these purposes is much higher than the receipts from disinvestment. It is not possible to indicate the precise proportion of such expenditure that is met out of the receipts from disinvestment of ITDC hotels.

Achievement of Disinvestment Target

1192. SHRI PREM CHAND GUPTA. Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that against the Government target for disinvestment of Rs. 10,000/- crore each for the years 1999-2000 and